

# Sedona

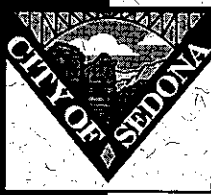
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## **Strategic Plan for Community and Economic Development July 2005**

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## ACKNOWLEDGEMENTS

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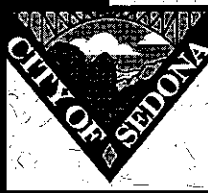
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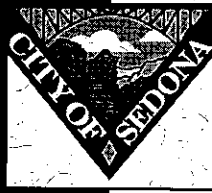


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# I. Introduction



The goal of the Sedona Focused Future Community and Economic Development Strategic Plan is to address critical economic issues facing the community and position the area for success. The Sedona Strategic Plan is a decision-making tool that addresses the community's vision and proposes realistic ways in which this vision can be achieved through economic planning. Implementation is the key to any strategic planning effort and will be the yardstick for measuring Sedona's success.

Due to the growth in the Verde Valley and Northern Arizona, Sedona was selected to participate in the "Focused Future II" program, which is designed and funded by APS. The process of Focused Future II includes an examination of successes and challenges as defined by the Sedona community, an issue and trend analysis, and an exploration of best practices and quality-of-life measures developed to monitor successes.

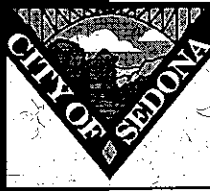
At the heart of the process is an active, broad-based citizen and stakeholder committee called the Action Team (or Sedona A-Team). The purpose of the A-Team was to work closely with APS and their consultants to complete the project. The A-Team met twelve times during the process to complete the plan.

Public involvement is an essential requirement in the Focused Future II process. Several public events were held to encourage and involve the Sedona public-at-large. On February 10, 2004, six focus groups were conducted with many local residents and stakeholders participating. The groups focused on Education, Medical, Tourism, Utilities/Technology Infrastructure, Workforce Development, and Arts/Culture. Summary reports were written about these focus groups, and the A-Team discussed these reports. In addition, a half-day Mini-Summit was held on September 20, 2004,

where outside experts presented information on various aspects of economic development. On November 12, 2004, citizens, residents, and agency representatives came together to discuss Sedona's economic future. The Sedona Economic Development Town Hall was a full-day event where participants discussed economic development focus areas, goals, strategies, and community indicators. At the end of the day, all ideas were presented to the attendees, who were then asked to select the most important ideas presented. All of this public input was used to develop this document.

The Sedona Focused Future II Strategic Plan for Community and Economic Development was accepted by the Sedona City Council on July 26, 2005.

## II. Sedona Overview



The Sedona community wanted to build on the City of Sedona's Community Plan, which was overwhelmingly approved by the voters in 2003, by strengthening the local economy through the Focused Future II process. Economic stability is critical to ensure the City's long-term financial sustainability and enhancement of the area's quality of life. Economic sustainability in Sedona is dependent upon:

1. Strengthening existing businesses,
2. Diversifying the economic base by promoting and attracting new industries, and
3. Emphasizing counter-cyclical businesses and industries, which are less susceptible to cyclical downturns in the economy.

### A. Defining Economic Development

Economic development is essential to provide the adequate public services and facilities to meet current and future needs. Sedona citizens must be able to earn adequate incomes to support their families and maintain a good quality of life. The following definition of economic development provides the framework for Sedona's strategic economic plan.

Economic development in Sedona is the diversification of the local economy through the retention, expansion, and development of businesses that are compatible with the environment and with the community's vision, and creating quality jobs and generating new revenue sources that expand the economic base and ensure community sustainability and long-term vitality. Economic development in Sedona is achieved through unique local and regional alliances among business, education, arts, and governmental entities.

### B. What Is Sedona's Community Vision?

*The vision that the citizens have for the future of their City is ...*

- to be a city that is constantly vigilant over the preservation of its natural beauty, scenic vistas, pristine environment, and cultural heritage.
- to be a city that retains its small-town character and creates its manmade improvements in strict harmony with nature.
- to be a city that is animated by the arts, and lives with a spirit of volunteerism to help achieve our common goals.
- to be a city that offers equal opportunities for all and fosters a sense of community.
- to be a city that welcomes and accommodates all of its visitors and future residents with a spirit of fellowship.
- to be a city that retains and enhances a strong and vital economy that preserves existing lifestyles without exploiting the natural beauty.
- and finally, to be a city that lives up to the challenge of proper stewardship of one of the earth's great treasures.

Since the community voted to approve the Sedona Community Plan, which begins with the above vision statement, the A-Team decided to use this vision statement and build on it for the economic strategic plan. The A-Team agreed that all economic development efforts must work to further this vision statement. The A-Team did note, however, that the vision statement does not directly address the community's desire to embrace diversity and to be sensitive to the variety of economic levels among





the community's citizens. Finally, the A-Team recommends that the City of Sedona incorporate appropriate portions of this report into the next revision of the Sedona Community Plan.

## **C. Trends**

The following six "Trends" will impact the City of Sedona and its ability to succeed in maintaining the community's quality of life while promoting economic sustainability. These trends may not be impacting the area directly or the community may not be experiencing these trends at the present time, but it is important to understand the potential implications of these trends. The A-Team identified and discussed these trends during regular meetings and at public events such as the Town Hall.

### **Demographic Changes**

- People are retiring younger than at any time in the past.
- Younger families are moving West because of its affordability.
- Mobility has increased tremendously, resulting in constant population shifts.
- Diversity of the population is increasing dramatically.
- The aging of America is resulting in increased medical needs and costs.
- The number of single-parent families and working parents is increasing.
- The definition of "family" has changed.

### **Growth Shifts**

- People are very mobile and move in/out of an area with increasing frequency, creating a wide range of challenges for community-building.
- The Phoenix Metropolitan Area is rapidly expanding northward closer to the Verde Valley.
- A large number of people from throughout the Verde Valley and Flagstaff continue to commute to work in Sedona.
- There is a lack of affordable housing in Sedona, and housing costs are continuing to increase

throughout the Verde Valley.

- A large percentage of the people who come to Arizona want to visit Sedona.
- An increasing number of people want to work and live in one place and become less auto-dependent; that is, the trend is for people to move to inner cities.

### **Education**

- A "brain drain" exists in the area because most high-school graduates believe that they must leave Sedona to start their careers. Most of these graduates do not come back to Sedona to live.
- The quality of the statewide educational system impacts Sedona; if the statewide system is poor, then that impression must be overcome when promoting Sedona.

### **Cost of Living**

- The cost of living in Sedona is increasing, particularly housing costs.
- Many of the people who work in the service industry in Sedona cannot afford to live in Sedona.

### **Community Character**

- Citizens are concerned that the small-town character is disappearing.
- Growth and increasing tourism have a detrimental effect on community character.

### **Economy**

- Diversification of businesses is desirable so that a community is not dependent upon one industry (such as tourism in Sedona).
- The qualifications required for employees have increased.
- The number of people working from home is increasing.
- The competitive global marketplace is changing how businesses do business.
- An increased connectedness to the region is occurring.

## **D. Economic Base Analysis**

According to the economic base study performed by the Arizona Department of Commerce, tourism is the primary driver of the Sedona economy, but seasonal residents and in-migrating retirees also contribute. Accommodation and food services provide the most employment of any sector in Sedona. Building and expanding this economic base is the strategic plan's driving factor.

### **Population**

Sedona's population grew at a rate comparable to the State's between 1995 and 1996. The population growth jumped between 1996 and 1997 by nearly 6%, more than the State's growth of 3% for that same period. However, average yearly population growth since 1997 has dropped to under 2% per year, below the State's average of almost 3%. The share of the population over age 64 is more than twice the statewide average, representing more than one-fourth of Sedona's population. The population under 19 is slightly below the State's average of 23% of the total. Public school enrollment has increased steadily since 1998, from roughly 1,340 to 1,500 students - matching the 12% growth statewide for the same period. In late 2004, the City's population was 10,900.

### **Median Income**

The most valid available measure of income for cities is per capita income. Per capita income levels increased 29% in Sedona from 1995 to 2002, an increase comparable to the 28% rate statewide. However, per capita income levels are approximately 60% above the state average. During the same period, median household income increased by more than 34%. Substantial gains were recorded in 2001 and sustained in 2002. Income growth in Sedona is somewhat distorted by the larger-than-average retirement population living off of pensions, investments, and social security instead of current income.

### **Construction**

The total number of permits issued annually in Sedona peaked in 1997 and has fluctuated every

year since then. Total building permits issued have been relatively flat since 2001, due to the economic recession and a slight decrease in residential construction. The total value of permits issued has fluctuated since 1995, averaging about \$20 million per year. Residential permits represent the majority of the total value, but their share has increased from about 68% in 1995 to 78% in 2004.

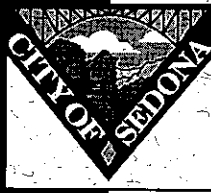
### **Assessed Value**

Total assessed value in Sedona has risen steadily, increasing by more than 87% from 1995 to 2004. This was mostly due to an increase in residential net value of approximately 119%. Residential value continues to represent more than half of the total assessed value. The average value is also increasing with per capita residential net assessed value growing from \$7,599 in 1995, to \$13,618 in 2004. Assessed value per capita in Sedona is 246 percent of the state average. (Note that residential assessed value is different from total residential value in that it incorporates the 10% assessment ratio that is applied to residential property). In 2004, the average assessed value was \$278,808 for owner-occupied residential properties. The commercial and industrial assessed value per employee has fluctuated since 1995, but has increased only slightly each year since 2000. Growth rates have increased recently from below 7% up to 11 to 14% in 2003 and 2004.

### **Municipal Revenues**

Total City revenues have increased each year, except for 1999 and 2002. In both cases this was primarily due to declines in non-tax revenues, however, bed tax revenues did decline noticeably in 2002. Between 1996 and 1998, local tax collections increased by roughly 26% each year, compared to increases of only 1.5 and 3% in 2001 and 2002. Sales taxes represent 84% of total local tax collections. Overall, local tax collections have increased 88% over the seven-year period. General fund revenues grew by 49% over the same period. Per capita general fund revenues increased 30% since 1996, but dropped by nearly 6% in 2002 as revenue growth lagged behind population growth.

# III. Strategic Action Plan



The Sedona Strategic Action Plan outlines the goals and strategies that the community should address for successful community and economic development over the next five years. The time frame is “strategic” in nature so that the most important activities are addressed first. The Action Plan is not intended to outline all strategies currently being implemented by various Sedona organizations, but to identify the strategic direction in which the community must head.

The community clearly identified two “over-riding principles” that guide any decision regarding economic and community development. Ensuring sustainability and preserving the environment are fundamental principles on which the community will not compromise. The quality of life and unique beauty of the area are the two most compelling reasons that people come to Sedona to visit or live. Therefore, these two principles must be used to measure and determine the appropriateness of any community or economic development action that is planned.

Four Focus Areas provide the framework for the Sedona Strategic Action Plan. These are the areas to which Sedona will direct its attention for economic development. The Sedona Focus Areas are (in no particular order):

- Tourism Development
- Arts and Culture
- Film Development and Promotion
- Business Vitality and Enhancement

In this report a discussion of each Focus Area includes a description of Sedona’s current position, followed by goals, strategic initiatives, strategies, and community indicators. The goals, strategic initiatives, and strategies are designed to be action-oriented, thereby yielding desired outcomes. The numbered strategic initiatives and strategies do not indicate the order of priority for implementation.

**Focus Areas** present the framework for the

Strategic Action Plan that must be addressed when working toward implementing Sedona’s vision.

**Goals** state the vision more clearly defined. Goals describe the fundamental direction in which the community must head to address the Focus Areas over a strategic time frame.

**Strategic Initiatives** are “big picture” activities that must be addressed over the five-year time frame to achieve the stated goal.

**Actions** are specific tasks that will be accomplished to assist in implementing the related goal.

**Community Indicators** are quantitative measures of activities that are important to the community. The indicators reveal whether the key community attributes are going up or down, forward or backward, getting better or worse, or staying the same.

## A. Focus Area: Tourism Development

### *Sedona’s Current Position:*

Sedona is recognized as a tourism destination. Most visitors to Arizona make Sedona a highlight of their trip. The area’s unequaled red rocks, recreational amenities, and cultural opportunities are recognized around the world. Sedona’s hotel and resort business is strong as is the wide range of supportive tourist-related businesses.

Tourism is the economic driver in the local economy. However, many Sedona residents do not recognize this fact. The retail industry is highly dependent upon tourism and a down-turn in tourism would significantly impact retail revenues.

Sedona’s economy would benefit tremendously from an expansion of tourism development. However, it is important to note that the ultimate goal of this focus area is **not to increase the overall tourist numbers but to increase the revenues generated from tourism.**



These economic opportunities are:

- Civic tourism (i.e., place-based tourism such as ecotourism, heritage tourism, and preservation tourism)
- Destination marketing
- Business traveler

**Civic tourism** is an umbrella term that describes place-based tourism such as eco-tourism, heritage tourism, and preservation tourism. The tourism product is civic in that the “place” itself is the attraction. But place is not just land, buildings, or cultures; it is all three, together. Place-based tourism programs often operate in their own silos, working with the tourism industry in a piecemeal way. Civic tourism in Sedona encourages these groups to collaborate and develop a comprehensive sense of place compatible with the community’s vision and values.

Sedona has been successful in place-based tourism, particularly in the area of eco-tourism. However, eco-tourism continues to offer enhanced opportunities for tourism expansion through better coordination with other place-based tourism, such as Sedona’s promotion of heritage tourism. There is a continuing community debate about “How many visitors can the area absorb” before its environment is negatively affected. According to the Eco-tourism Society, eco-tourism is about creating opportunities and satisfying a hunger for nature, about harnessing tourism’s potential for conservation and development, and about averting tourism’s negative impact on ecology, culture, and aesthetics. It is about the principles of balancing tourism, conservation, and culture. Civic tourism maintains that the more people know the story of a place, the more likely they are to be stewards of that place.

**Destination marketing** is a promotional strategy used to market an area as a place to stay for a longer period of time rather than a quick day-trip visit. Marketing Sedona as a “destination” has been a focus of the area’s marketing efforts for some time. The community has been working steadily to lengthen the time visitors stay and to increase the revenue generated by visitor spending. Establishing

Sedona as the home-base for vacation activities throughout the Verde Valley and Northern Arizona has assisted the community in lengthening visitor stays. Since 9/11 there have been changes in how visitors choose a destination. Additionally, the way tourism is purchased and sold is done in a completely different way. Safety is the number one concern today. Current conditions offer Sedona many opportunities for destination marketing. Between the public and private sector in Sedona, tens of millions of dollars are spent promoting the Sedona area as a destination. Typically, day-trippers do not spend as much as visitors who use a location as home-base. However, in the last two years Sedona retailers and tourist-based businesses have begun to see a slight increase in revenues, marking a change in this trend.

**Business traveler** is defined as someone visiting a community primarily for business rather than pleasure. Sedona has not marketed the business traveler to the greatest extent possible. Statistics show that the business traveler is a higher-spending visitor than the typical tourist.

**Goal: To create a more focused tourism development program that focuses on extending visitor stays and increasing the revenue generated from visitor spending, while promoting activities compatible with Sedona’s vision and values.**

Sedona faces the challenge of balancing growth and economic expansion with sustaining the environment, the quality of the visitor experience, and the residents’ quality-of-life. The ultimate outcome of this Focus Area is to attract higher-spending, longer-staying visitors who will spend more money in the community while minimally impacting the environment and infrastructure.

The following Strategic Initiatives are the recommended areas for Sedona’s focus over the next few years to implement the above-stated Tourism Development Goal.

### Strategic Initiatives:

1. Develop and expand the Sedona Civic Tourism Program.
2. Expand and increase funding of the Destination Marketing Program.
3. Attract more business travelers to Sedona.

The following Actions should be implemented over the next few years to ensure that the Strategic Initiatives are implemented. Within each of these Actions might be contained numerous steps that must be taken to implement the particular action.

### Actions:

1. Further define Sedona's "niche" within each of the strategic initiatives and identify specific action steps and timetable.
2. Develop a facilities master plan to support the tourism development strategic initiatives.
3. Develop and expand target marketing efforts geared toward the strategic initiatives.
4. Expand and strengthen local, regional, and statewide partnerships to promote and implement the strategic initiatives.
5. Encourage community involvement and commitment to the strategic initiatives through an ongoing educational program related to the strategic initiatives.



## Community Indicators

In the area of Tourism Development, the community indicators of particular interest are: length of visitor stay in Sedona; expenditure of visitor spending, retail sales tax collections, bed tax collections, and restaurant/bar tax collections. These indicators will provide insight into the types of visitors who come to Sedona, as well as their economic impact on the community.

**Table 1**  
**Sedona Visitor Spending**

	Day Trippers	Overnight Visitors
Under \$100	51%	14%
\$100 - \$199	31%	26%
\$200 - \$299	8%	22%
\$300 - \$399	5%	16%
\$400 - \$499	2%	7%
\$500 or over	3%	15%
Median Daily Spending per Party	<b>\$97.00</b>	<b>\$243.00</b>

Source: Sedona - Oak Creek Canyon Chamber of Commerce, 2002

Visitors to Sedona are categorized into two groups based upon their length of stay: day trippers and overnight visitors. The median spending of day trippers (per party) is \$97, with 90% of these visitors spending less than \$300. Overnight visitors to Sedona have a median spending (per party) of \$243. Thirty-eight percent of overnight visitors spend \$300 or more while in Sedona.

**Table 2**  
**Length of Visitor Stay in Sedona**

	Percent
Day Trip	41%
1 to 2 days	35%
3 to 4 days	11%
5 to 7 days	11%
8+ days	2%
Average nights stayed among overnight visitors	3.1

Source: Sedona - Oak Creek Canyon Chamber of Commerce, 2002

Forty-one percent of all visitors to Sedona come only for the day. However, the majority of visitors to Sedona are overnight visitors (59%), and the average number of nights stayed by overnight visitors is 3.1.

**Table 3**  
**Sedona Visitor Income**

	Percent
Under \$25,000	6%
\$25,000 - \$49,000	20%
\$50,000 - \$74,999	23%
\$75,000 - \$99,000	20%
\$100,000 - \$149,000	19%
\$150,000 and over	12%
Median Income of Visitors	\$76,800

Source: Sedona - Oak Creek Canyon Chamber of Commerce, 2002

The typical visitor to Sedona comes from an affluent income bracket. Nearly one-third of all visitors to Sedona have an income of \$100,000 or more. The median income of all visitors to Sedona is \$76,800, well above the county, state, or national levels.

**Table 3**  
**Sedona Visitor Age**

	Percent
Under 35	16%
35 to 54	46%
55 and over	38%
Median Age	49.8

Source: Sedona - Oak Creek Canyon Chamber of Commerce, 2002

Those who visit Sedona are generally an older group. The median age of visitors is 49.8, and 38% of all visitors are age 55 or over. It is apparent that Sedona attracts a large number of visitors who are retirees.

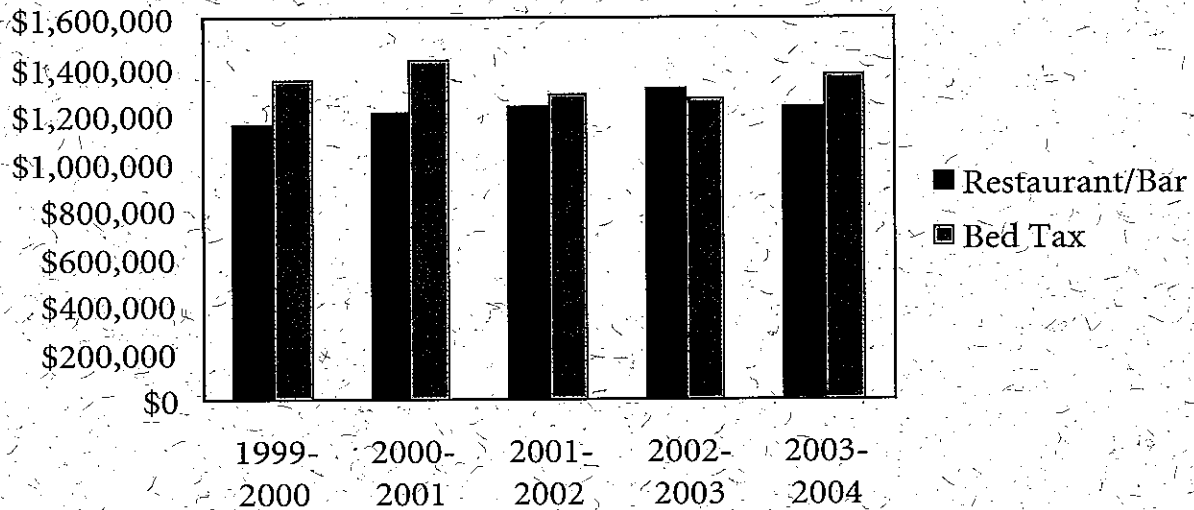
**Table 5**  
**First Year Sedona Tax Collections**

Year	Restaurant/Bar	Bed Tax	Retail Sales Tax
1999 - 2000	\$1,148,947	\$1,334,790	\$3,214,713
2000 - 2001	\$1,204,976	\$1,418,522	\$3,272,009
2001 - 2002	\$1,220,657	\$1,273,287	\$3,260,199
2002 - 2003	\$1,302,645	\$1,249,052	\$3,267,608
2003 - 2004	\$1,218,898	\$1,361,377	\$3,392,713

Source: City of Sedona

Tax revenue generated in Sedona is shown in Table 5, and broken down into three categories: Restaurant/Bar Tax, Bed Tax, and Retail Sales Tax.

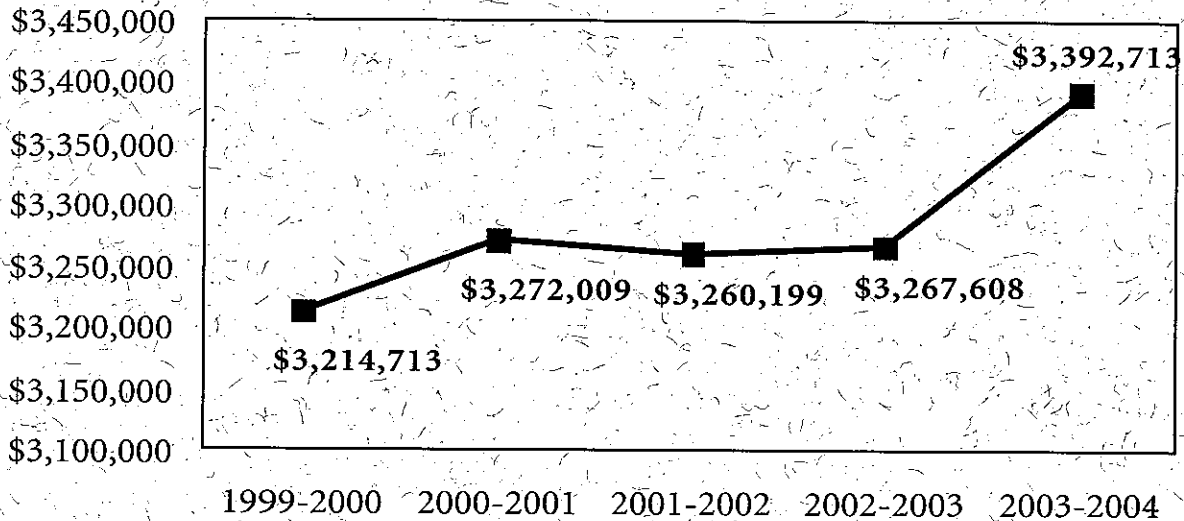
**Figure 1**  
**Sedona Tax Collections**



Source: City of Sedona

Bed tax revenue has been consistently around the \$1.3 million level over the time frame of FY 1999-00 to FY 2003-04. Bed tax revenue had a high of \$1.42 million in FY 2000-01, but had a low just two years later in FY 2002-03 of \$1.25 million. Tax revenue generated by restaurants and bars has consistently been in the \$1.2 million range over this time-frame, with a high level of \$1.30 million in FY 2002-03.

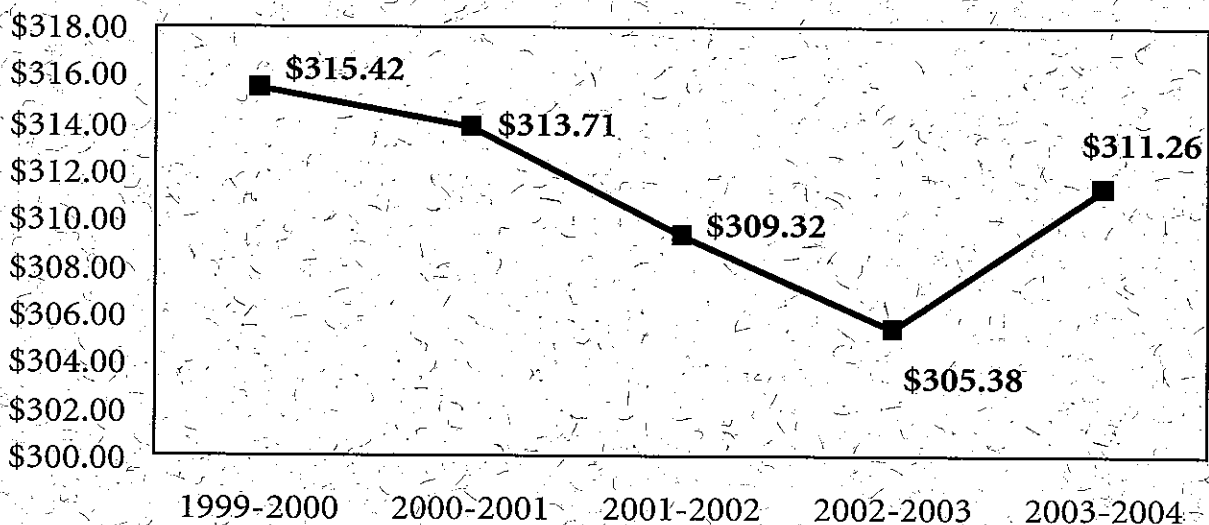
**Figure 2**  
**Sedona Retail Sales Tax Collections**



Source: City of Sedona

Retail sales tax collections in Sedona were somewhat stagnant for the three years between FY 2000-01 and FY 2002-03. However, in FY 2003-04, the numbers again increased to a new high of \$3.4 million.

**Figure 3**  
**Sedona Per Capita Sales Tax**



Source: City of Sedona, DES, U.S. Census

Another way of benchmarking sales tax collections is to present the data based on sales tax generated per capita. In Sedona, per capita retail sales tax revenue gradually decreased from FY 1999-00 to FY 2002-03. A slight increase in per capita sales tax revenue occurred in FY 2003-04, but only to a level of \$311.26, which was still slightly less than the per capita sales tax revenue in fiscal years 1999-00 and 2000-01.



## B. Focus Area: Arts and Culture

### *Sedona's Current Position:*

The City of Sedona has long been recognized as a place where the arts flourish. The arts and culture within the region have grown in terms of the actual number of activities being offered, as well as in terms of the diversity of programs. Until recently the arts and culture have not been widely recognized in Sedona as an important economic driver. Arts and cultural-related businesses have developed due to the depth and breadth of arts programs. Most entities were hurt by the downturn in the economy following 9/11. In recent years, due to a planning grant received from the Leidia Wallace Reader's Digest Foundation, there has been increased cooperation between arts and cultural entities.

In 1989, the City of Sedona appointed an Arts and Culture Commission. The Commission has adopted a mission to be "the catalyst for creating excellence in arts and culture, thus contributing to a vital economy and the highest quality of life for all."

There are tremendous economic opportunities related to arts and culture in the Sedona area. The arts and the area's culture are important to the residents of Sedona as well as to tourists visiting the area. The arts and culture are critical components of the area's quality of life as well as an economic opportunity. Sedona's goal should be to maximize the opportunities that the area's unique arts and culture provide. These economic opportunities are:

- Visual branding
- Arts organization and artist development
- Sedona culture

**Visual branding** is a way of demonstrating to anyone visiting Sedona that the arts are an integral part of the area's environment and culture. The arts within Sedona present a significant economic opportunity. As people enter Sedona and move

through the community, the arts are an integrated component of the area's landscape. Sedona has attracted artists from around the world whose work spans the full range of mediums. The arts and culture are and will continue to be an important economic driver in Sedona. Maintaining the quality of the arts and continuing to expand the area's arts opportunities are important components of Sedona's economic strategy. The arts attract new revenue to the community while enhancing Sedona's quality of life.

Historically, the visual arts have played a large role in Sedona. Well-known artists were drawn to the area, and buyers followed. But the arts and culture business in Sedona has both strengths and weaknesses. Some artists and gallery owners are concerned about dwindling sales, while others have seen their revenues increase. There are issues facing artists within the area that must be addressed. Affordable housing, studio space, and exhibition space have all been identified as critical issues that must be addressed in order to support local artists. When asked if Sedona was on the same level as other world-class arts and cultural destinations, such as Santa Fe and Aspen, people usually agree that Sedona is not at that level. However, those locations have been recognized as arts destinations for a much longer time than Sedona.

**Arts organization development** refers to the need to coordinate and collaborate to ensure that all artists and arts organizations are strong and vital. This is critical to achieve the community's desire of becoming an arts and culture destination. The community has seen an expansion in certain areas of arts and cultural programming. Both locals and visitors are taking advantage of these events. Some of the local performing arts organizations are actually drawing from a more regional market because of the quality of the performances.

**Sedona's unique culture** refers to the area's rich history and heritage including the physical surroundings and American Indian heritage. The area's culture is an important aspect of the community's quality of life and offers an economic

opportunity that can be promoted. Northern Arizona, including Sedona and the rest of the Verde Valley area, has a long and interesting history that can be promoted more effectively. Preserving and communicating the area's culture provides another opportunity for Sedona to expand its economic base. Both arts and culture development require investment in necessary infrastructure and facilities to ensure continued economic opportunities.

**Goal: To become a destination city recognized for its arts and culture.**

The following Strategic Initiatives are the areas on which Sedona will focus its attention over the next few years in order to move toward implementation of the above-stated Arts and Culture Goal.

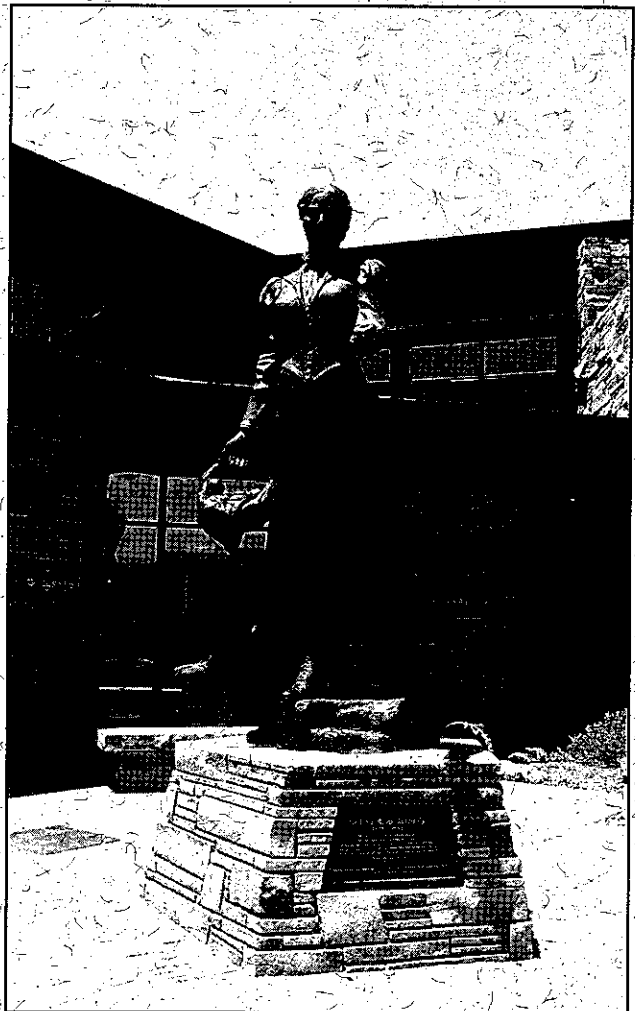
#### **Strategic Initiatives:**

1. Make the arts and cultural opportunities more apparent in Sedona.
2. Ensure the success of art and cultural organizations and individual artists.
3. Define and benefit from Sedona's unique culture.

The following Actions should be implemented over the next few years to ensure that the Strategic Initiatives are implemented. Within each of these Actions there might be numerous steps that must be taken to implement the particular strategies.

#### **Actions:**

1. Define and promote Sedona's unique arts image and identity.
2. Establish tools (e.g., arts calendar, database, and/or website) to encourage collaboration, coordination, and promotion of the arts in Sedona.
3. Develop a comprehensive arts marketing campaign that promotes Sedona's unique arts community, especially to higher-spending art buyers.



4. Create ongoing, year-round arts and cultural events and festivals, possibly including a "signature" event that attracts a global market.

### **Community Indicators**

The Sedona Focused Future Implementation Task Force should work with the Sedona Arts and Culture Commission to identify potential community indicators that will be used to track the success in implementing the goals, strategic initiatives, and actions identified within this focus area. In addition, the tracking mechanism and first-year benchmarks must be created for each of the selected indicators. Some potential community indicators identified during the Economic Development

Town Hall include the following.

- Revenues generated from the arts
- Number of new partnerships among diverse arts and culture groups
- Number of committees under the Arts Commission
- Event attendance
- Quality of promotion to events
- Dollars generated from each type (e.g., visual, performing)
- Diverse cultures accepting each other
- Annual attendance at signature event
- Tax revenues by business type

### **C. Focus Area: Film Development and Promotion**

#### ***Sedona's Current Position:***

The State of Arizona has been an active player in the past in film production and is rededicating efforts statewide with the Governor's appointment of the Arizona Film Commission in April 2005. According to a study of the film and video industry conducted by the Arizona Department of

Commerce in FY 2003 (the last full year for which data are available), the film industry generated over \$201 million in indirect economic activity and supported approximately 1,704 total direct and indirect jobs in Arizona. According to the study, Arizona's competitive advantages, such as good climate and lack of red tape, were reasons for selecting Arizona as a film location.

Tremendous economic opportunities related to film development and promotion exists for the Sedona area. Film development has been a part of Sedona's history and can continue to play an important economic development role in the future. These economic opportunities are:

- Sedona Film Office
- Film Education Infrastructure
- Eliminating Barriers to Film Production

The directive of the **Sedona Film Office** is to promote the area for film and video productions. It has recently been re-established as part of the Chamber of Commerce function. Sedona has been extremely successful in the past in film development and promotion. Many early Western movies were filmed in Sedona, and more recently the area has been the backdrop for national and international commercials.



**Film education infrastructure** relates to the current film programs available within the community. The Zaki Gordon Institute is creating the next generation of filmmakers by delivering an education within the film industry model. The program is mentor-based, allowing students to be guided through the learning process by instructors who are industry professionals. Curriculum is designed with a focus on creating marketable films and preparing students for the workforce upon graduation. Through partnerships with the Sedona International Film Festival, Kodak Corporation, Harkins Theatres, the Arizona Department of Commerce, and the new Sedona Film Office, the Zaki Gordon Institute is helping to ensure the future of a film industry in Northern Arizona.

**Eliminating barriers to film production** primarily relates to the relationship the area has with the U.S. Forest Service. In the past it has been difficult to get permits for film and commercial production on U.S. Forest Service lands. It is not the intent to circumvent the Forest Service requirements but to streamline the permitting process in such a way that encourages rather than acts as a barrier to film production.

**Goal: To create a strong film development program and make Sedona the preferred Arizona site for productions.**

The following *Strategic Initiatives* are intended to be the areas on which Sedona will focus its attention over the next few years to implement the above-stated Film Development and Promotion Goal.

#### **Strategic Initiatives:**

1. Strengthen and expand local film development and promotion.
2. Continue to support the film education infrastructure.

3. Develop a strong, ongoing working relationship with the U.S. Forest Service to support film in Sedona.

The following list of Actions should be implemented over the next few years to ensure that the *Strategic Initiatives* are implemented. Within each of these Actions might be numerous steps that must be taken to implement the particular action.

#### **Actions:**

1. Coordinate with the Arizona Film Office, existing businesses and agencies, and with the Sedona Film Festival and Zaki Gordon Institute to continue to build Sedona's reputation as a potential site for film, commercial, and still photography.
2. Educate and work with existing businesses to support the film industry by developing a comprehensive database of support businesses, potential sites, and resources to support the film industry.
3. Identify those goods and services needed by the film industry that are not available in Sedona through an annual gap analysis and develop a strategy to obtain needed goods and services.

## **Community Indicators**

The current data available is out of date (only through the year 2000) at the local level to track these indicators. The Chamber of Commerce does not currently have the staff or funding to track this information, but they are entering into a contract with the City of Sedona and the Arizona Department of Commerce to begin tracking production days, the number of requests to film in Sedona, and the total value of the film industry in Sedona. Thus, by April 2006, benchmark data will be available and a tracking process will be developed for future tracking.

## D. Focus Area: Business Vitality and Enhancement

### *Sedona's Current Position:*

The Sedona area is one of Arizona's premier tourism, recreation, resort, retirement, and arts centers due to its scenic location. Diversification of the economy is important so that the area can survive the fluctuations that are inherent in a tourism-dominated economy. However, any diversification strategy must be consistent with the strong environmental protection ethic of which the area is most proud.

Ensuring business vitality and enhancement is critical for the Sedona area to diversify its local economy. Ensuring that new businesses being recruited to the area are compatible with the community's sustainability and environmental goals is critical. The economic opportunities are:

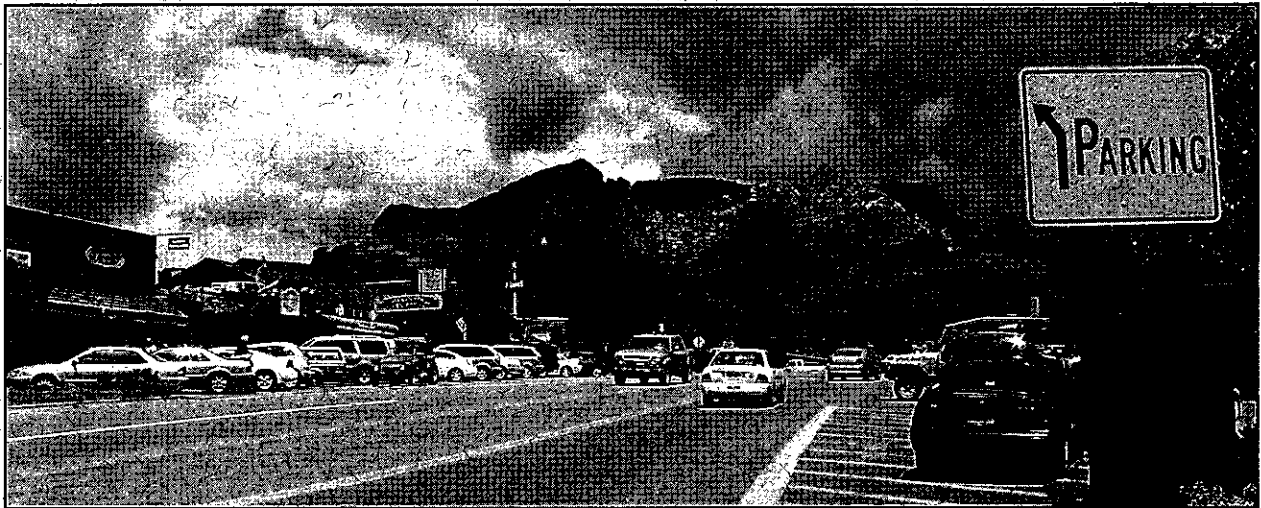
- Business Recruitment Program
- Business Retention and Expansion Program
- Infrastructure Support
- Workforce Development

**Establishing a strong business recruitment program** focuses attention on attracting compatible businesses to the City. This approach is essential for the Sedona area. Desirable new businesses include businesses related to "senior services" and "sustainable industries." Both of these industries in

addition—to research-based companies—offer opportunities to strengthen and expand the local economic base. Issues related to infrastructure, land availability, space, affordability, and workforce are all issues that must be addressed when trying to attract new businesses.

Additionally, continuing to promote the community to entrepreneurs who might be home-based and who can choose a location based on the community's quality of life also offers Sedona economic development opportunities. These virtual company entrepreneurs are flocking to locations throughout the United States that make great places to live. Rather than selecting a location based on the availability of employment, they choose places that have both lifestyle appeal and contain a population of like-minded entrepreneurs.

**A strong business retention and expansion program** focuses attention on existing businesses within the area. Existing business development is important to the area's ability to strengthen the local economic base. Most new community wealth and jobs are created by existing small businesses. Sedona has a slightly higher-than-average share of its employment base in retail trade and FIRE (finance, insurance, and real estate) industries, and a significantly higher share of employment in service trades than the State as a whole. The service sector accounts for about 45 percent of employment in Sedona, compared to 40 percent statewide. This industry mix is indicative of Sedona's dependence on the tourism and



retirement sectors, which are dominated by retail and services industries. Although these industries have grown in the 1990's, they can be cyclical and generally have below-average wages.

Sedona's unemployment rate gradually declined from about 4.0 to 2.5 percent from 1995 to 2000. At the same time, the labor force increased in size by more than 11 percent, indicating that job growth is keeping pace with population growth. Since 2000, the size of the labor force has continued to increase, to a high of 11,545 in 2002. Unemployment also rose to roughly 3 percent, due to local and national economic conditions. Since 1998, however, the unemployment rate in Sedona has remained 1 to 2 percent below the unemployment rate for the State.

**Infrastructure support** is critical for the Sedona area to continually monitor to ensure that existing businesses can be supported or that new businesses attracted to the area have the necessary infrastructure to be successful. The status of the "traditional" utilities such as water, sewer, gas, and electric is good. However, there is a concern that the ability of technology services and infrastructure may not be as reliable and available to be competitive. Capital investment, appropriate planning, and development are critical to ensure that area businesses can maintain and expand their competitive position.

**Workforce development** ensures that people are available for and have the skill-sets needed for the jobs being created. Workforce development is a critical issue facing Arizona as well as Sedona. The local workforce is largely transient and unskilled. However, there are highly skilled people in the workforce who are under-employed due to available jobs and highly skilled individuals not in the workforce. Sedona's relatively high cost of living and lack of affordable housing make it difficult for employees to live and work in the community. Challenges facing the community are the relatively low wages in relationship to the high cost of living, limited professional positions, lack of higher-wage jobs, and the lack of companies offering growth potential.

**Goal: To strengthen and expand local businesses.**

The following Strategic Initiatives are intended to be the areas on which Sedona will focus its attention over the next few years to implement the above-stated Business Vitality and Enhancement Goal.

**Strategic Initiatives:**

1. Create a Business Recruitment Program.
2. Create a Business Retention and Expansion Program.
3. Develop the infrastructure to support business development.
4. Address workforce development issues.

The following Actions should be implemented over the next few years to ensure that the *Strategic Initiatives* are implemented. Within each of these *Actions* there might be numerous steps that must be taken to implement the particular strategies.

**Actions:**

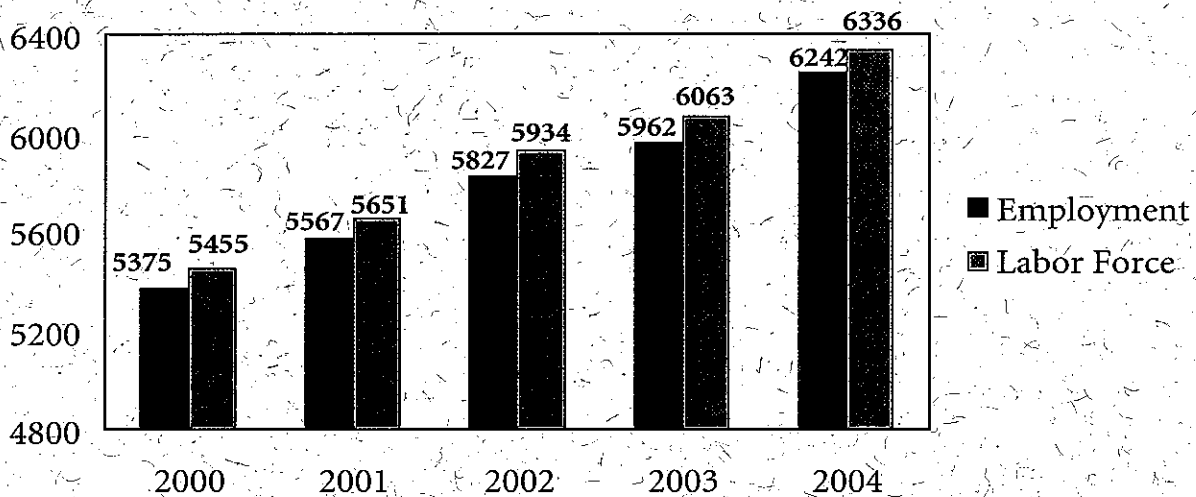
1. Inventory businesses to better analyze what types of businesses exist, the turnover rate, the number of employees, and other important indicators.
2. Develop a plan to retain and create new business park locations in Sedona.
3. Enhance business and training partnerships with the area's higher educational institutions.
4. Develop a recruitment plan that includes an emphasis on senior services and sustainable industries.
5. Create an environment attractive to home-based businesses.
6. Promote business-to-business cooperation and sales as well as businesses to residents' relationships and support.
7. Facilitate ways to tap into the business expertise and experience of Sedona-area residents.



## Community Indicators

Indicators of interest in the area of business vitality and enhancement are: growth in jobs and in labor force, percentage of the population with a college degree (by age categories), and median income of Sedona residents by different age categories.

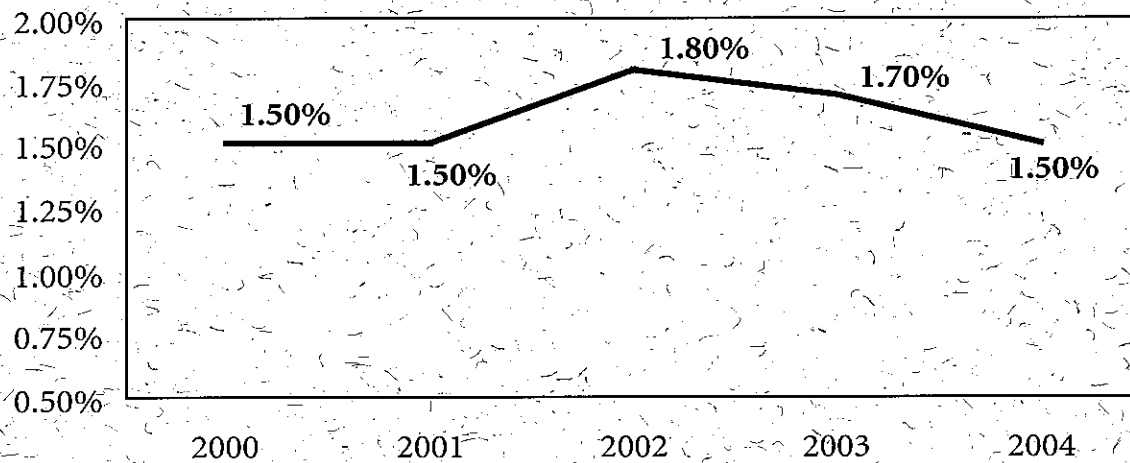
**Figure 4**  
**Trends in Employment**



Source: DES

Both labor force and total employment have steadily increased each year from 2000 to 2004. Perhaps more telling, though, is the comparison of growth in these areas to population growth over the same time frame. While the population of Sedona has grown by 7% from 2000-2004, both labor force and total employment have grown by 16%.

**Figure 5**  
**Unemployment Rate**



Source: DES

Unemployment rates in Sedona have remained quite consistent and relatively low, ranging from a high of 1.8% in 2002 to a level of only 1.5% in 2004.



**Table 6**  
**Population with a College Degree**

	1990		2000	
	Count	Percent	Count	Percent
Population, 25 years and over	6,367		8,411	
Associate's degree	301	4.73%	555	6.60%
Bachelor's degree	1,451	22.79%	1,897	22.55%
Graduate or professional degree	677	10.63%	1,400	16.64%
No degree	3,939	61.87%	4,559	54.20%

Source: U.S. Census 1990, 2000

Overall educational attainment in Sedona increased over the last decade. In 1990, 62% of the population age 25 and over did not have any type of college degree, and only 11% of the population had a graduate or professional degree. By 2000, however, a greater percentage of the population had an associate's degree or higher (46% as opposed to 38% in 1990). The biggest increase occurred in the number of people obtaining a graduate degree.

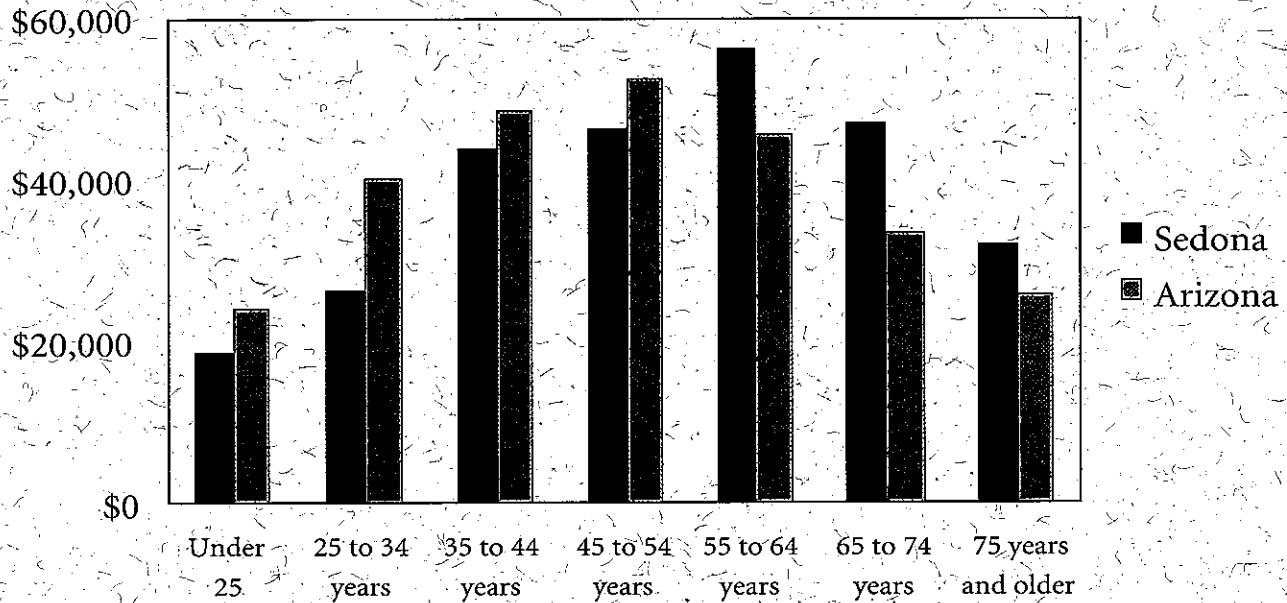
**Table 7**  
**Population with Bachelor's Degree or Higher, 2000**

	Sedona	Arizona
25 to 34 years	26.3%	22.9%
35 to 44 years	36.6%	23.8%
45 to 64 years	43.7%	26.5%
65 years and older	38.6%	19.1%

Source: U.S. Census 2000

Table 7 shows the population with a bachelor's degree or higher by age group for both Sedona and the entire State of Arizona. Those in Sedona aged 45 to 64 years have the highest percentage of their age cohort with a bachelor's degree or higher, at 44%. Sedona has a higher percentage of its population with at least a bachelor's degree than the statewide average in each age category. Sedona's comparatively high levels are particularly noticeable in the age categories of 45 to 64 years, and 65 years and older. In these two age categories, Sedona has nearly a 20% higher rate of residents with a bachelor's degree or higher than the State as a whole.

**Figure 6**  
**Median Income by Age of Householder, 2000**

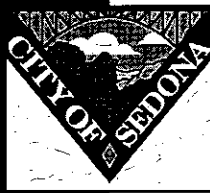


Source: U.S. Census, 2000

Persons in Sedona aged 55 to 64 years have the highest median household income (\$56,076) of any age bracket. In addition, the age brackets with the highest median household income are residents aged 45 to 74. Not coincidentally, those age groups with the highest median household income are also the same age groups with the highest educational attainment. Of particular note is the fact that the median income of Sedona residents is lower than the statewide average for every age bracket between 25 and 54 years. But for individuals age 55 and older, Sedona's residents have a higher median income than the statewide average.

## IV.

# Implementation



The Sedona Focused Future II effort requires a coordinated, focused approach to ensure implementation. The plan recognizes that in order for the community to be successful, there must be a coordinated effort with good communication among the various entities. Establishing strong relationships requires a clear understanding and acceptance of the various entities' roles and responsibilities.

### A. Strategic Plan Evaluation and Update

*The following specific steps will ensure that the plan is implemented:*

- **Acceptance.** All local entities involved in the strategic planning process shall accept the Strategic Plan.
- **Community Communication.** The Sedona Focused Future II process involved a tremendous amount of public participation. Community communication about the plan and progress is critical. Upon plan adoption, the specific goals and strategies should be communicated to the public and the plan made available to anyone for review.
- **Plan Distribution and Presentations.** Many different organizations can support and assist Sedona in plan implementation. It is very important for Sedona to announce to these agencies (Coconino and Yavapai Counties, APS, Arizona Department of Commerce, Forest Service, etc.) that Sedona has its plan in place. These groups must understand the community's vision for the future and how they can assist the community in meeting these goals.
- **Formation of the Economic Development Task Force.** A Task Force comprising key staff members from the primary economic development organizations will be established. The Task Force will be chaired by a member selected by the Task Force and meet quarterly (or as needed) to oversee the plan's implementation.

The Task Force would also serve as the "business visitation team" when new businesses are potentially looking at Sedona as a potential place to do business. (see subsection B for roles and responsibilities)

- **Community and Economic Development Position.** The A-Team encourages the City of Sedona to create an Economic Planner position and hire a person to implement the plan and address the community and economic development challenges stated in the plan. The Economic Planner will be the "point of contact" for all economic development leads in Sedona.
- **Implementation through Work Programs.** Following acceptance of the *Focused Future II Strategic Plan for Community and Economic Development*, each organization will work toward implementation of the recommendations outlined in this document by examining and aligning the focus areas, goals, and strategies with their respective organizational strategic plans. By each entity ensuring inclusion of these recommendations, and coordinating and exchanging work plans, the Task Force will be able to oversee the coordinated activity and be able to monitor implementation of this *Focused Future II Strategic Plan for Community and Economic Development*.
- **Community Indicators Evaluation.** The purpose of the community indicators is to measure the success the community is making toward implementing the Strategic Plan. Thus, the Task Force should evaluate Sedona's progress on each of the community indicators on an annual basis. The Task Force will prepare a summary report and present the results at the Economic Summit. The community indicators will be updated and expanded based on the discussions at the Economic Summit.
- **Annual Economic Summit.** Annually, Sedona will conduct an Economic Summit to discuss, modify, and update the *Focused Future II Strategic Plan for Community and Economic Development*. The Summit will review accomplishments, changes in the local economy, and

recommended changes to the plan. Changes made to the plan will be presented to the various entities adopting the original plan for discussion, alignment, and possible inclusion in their organizational strategic plan (e.g., City of Sedona Strategic Plan). The City's Economic Planner and the Task Force will be responsible for organizing and conducting the annual Economic Summit.

- **Work Program Funding.** Each entity shall develop one-year budgets to fund and implement the work program. Annual budget requests shall be based on the strategies to implement the Action Plan.

## **B. Roles and Responsibilities**

The *Focused Future II Strategic Plan for Community and Economic Development* provides the foundation to build a strong community with a diversified economy, expanded workforce, and improved quality of life. Many stakeholder entities are working to achieve the plan's initiatives. Without partners such as the citizens, businesses, tourists, and educators, the primary organizations would not be successful in carrying out the economic development strategies.

### **Mission:**

To guide and monitor the implementation of the *Focused Future II Community and Economic Development Strategic Plan*, evaluate the community's progress, and update the strategic plan as necessary.

### **Representation:**

City of Sedona  
Sedona Chamber of Commerce  
Arts and Culture Commission  
Sedona Film Office  
Tourism Bureau  
At-Large Representatives (2)

### **Economic Planner:**

The City of Sedona's Economic Planner will participate on the Task Force. The Planner will serve as the "point of contact" for economic development leads in Sedona. The Economic Planner will utilize the Task Force as

needed to work with potential leads during community visitations. The Economic Planner, working closely with the Task Force, will develop a Sedona marketing package and approach aligned with the strategic plan. The Economic Planner will maintain a close working relationship and good communications with the Task Force related to all economic development activities.

### **Responsibilities:**

**Policy.** Recommend policy changes to boost community and economic development efforts in conjunction with the strategic plan.

**Funding.** Encourage all organizations to allocate adequate funding to support the strategic plan's implementation. Work to identify and solicit additional funding sources to implement the strategic plan.

**Business Assistance Team.** The Task Force will serve as the business assistance team as needed, working closely with the Economic Planner, when new businesses are looking to relocate to the community. The purpose of the business assistance team is to provide current, appropriate community information so businesses can make a location decision.

**Community Outreach.** The Task Force will actively communicate with the community's residents about the importance of economic development and the strategic plan. The Task Force will actively engage the community in the annual economic summit as well as other appropriate opportunities.

**Foundation Development.** The Task Force will make recommendations to the City regarding the development of needed economic foundations, such as infrastructure (water, wastewater, public safety, and streets) within the jurisdiction to support the strategic plan. Ensuring that there are adequate facilities and capacity to meet current and future demand is critical to economic development efforts.

**Coordination and Collaboration.** The Task Force will facilitate community coordination and collaboration efforts that further the strategic plan's implementation.



### **Task Force Implementation Steps:**

The following list of "Implementation Steps" is intended to be the recommended "To Do" list for the Task Force's consideration.

#### **By June 2006**

1. Organize the Task Force and appoint a chairperson.
2. City of Sedona should hire an Economic Planner. Task Force and Economic Planner determine working relationships and coordination.
3. Develop and adopt a Task Force mission and operating guidelines (e.g., meeting frequency, agenda development, membership and chairperson appointments).
4. Clarify communication exchange protocols and expectations between all primary organizations.
5. Create a "template" for strategic plan work programs.
6. Receive work programs developed by primary organizations that are tailored to their responsibilities in implementing the strategic plan.
7. Understand each of the primary organizations' needs in assisting with strategic plan's implementation.
8. Determine the "gaps" between the primary organizations' work programs and the strategic plan. Identify potential strategies to fill these gaps if needed.
9. Participate in regional economic development discussions and determine potential regional collaboration opportunities.
10. Establish a Steering Committee to develop a plan for the creation of a Sedona Leadership Academy that will educate citizens about Sedona and graduate individuals that who be prepared to take on leadership roles within the community.
11. Conduct the first-year evaluation of Sedona's community indicators and institute a process for annual review.

#### **By June 2007**

1. Work with the Arts and Culture Commission in the development of community indicators

and benchmarks for the Arts and Culture Focus Area.

2. Work with the Sedona Film Office in the development of community indicators and benchmarks for the Film Development and Promotion Focus Area.
3. Working with the Economic Planner, identify and inventory additional business park land use opportunities.
4. Working with the Economic Planner, develop a Sedona economic development package that can be used with existing businesses looking to expand or new businesses looking to locate.
5. Implement a business tracking system to better understand Sedona's small and home-based business industry.
6. Organize and conduct the annual economic summit to discuss, review, and update the strategic plan.
7. Continue to explore regional collaboration opportunities.

### **C. Conclusion**

For Sedona to be competitive in the economic development arena, critical organizational issues must be addressed. According to the International Economic Development Council, there are five key elements to organizational effectiveness:

**Capable Leadership:** Qualified leadership is important to any economic development organization's success. Responsible, capable individuals who are knowledgeable about the community and are action-oriented should be involved in all phases of the program.

**Clearly Defined Purpose:** An organization cannot succeed without a clear understanding of its purpose and functions. It is important to define the exact role organizations and individuals play in economic development.

**Adequate Funding:** Funds must be provided to accomplish an organization's objectives. The level of competition in economic development today requires strong financial support.

**Professional Staff:** The need for professionalism in economic development has never been greater. Economic development professionals are found in all but the smallest communities.

**Sound Organizational Structure:** The economic organization must be structured to meet local needs and to mobilize critically needed human and fiscal resources.

Citizens play a critical role in sustaining any community or economic development effort. The role citizens might play is dependent on their understanding and acceptance of the long-term vision and goals for economic and community development. To ensure this buy-in requires continual, effective, and honest communication, as well as opportunities to participate in the decision-making process. Bringing citizens into the process before the final vote is cast is important to building community trust, enthusiasm, and involvement in civic activities. The Sedona Focused Future II process has been an inclusive community development effort in which individuals and agencies have actively engaged in the strategic plan's development.

Sedona, like many communities throughout Arizona and the United States, is becoming more culturally diverse. With this diversity of backgrounds, cultures, and values, it is increasingly important to establish mechanisms and processes to bring people together to discuss, debate, and find common ground. It is critical to bring people together in a positive way, rather than waiting until an issue becomes too emotional and opinions are too firm, making meaningful discussion difficult. Creating a community culture of good communication between the City of Sedona and citizens as well as between and among the various stakeholders is important to ensure community and economic development success. Improving communication and engaging citizens in the local dialogue and decision-making process builds trust, respect, and a sense of commitment.

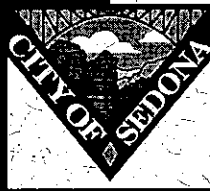
The goal should be to provide meaningful

opportunities for citizen engagement that recognize the value of people's time and energy. Once citizens do engage in a community dialogue, their input should be encouraged, respected, and protected from personal attacks. Differing viewpoints should be encouraged and personal attacks on those viewpoints are unacceptable. Leadership is required to encourage the exchange of differing viewpoints in search of the common ground and a consensus that everyone can feel good about. To increase the level of trust and respect for our government leaders and each other, there is a need to develop the skills of public participation and to create opportunities that welcome those not traditionally involved in the decision-making process of community life.

For the *Sedona Strategic Plan for Community and Economic Development* to be successful, collaboration and good communication among stakeholders, citizens, the City, and local agencies must occur. The community recognizes that bringing all (i.e., public and private sector) to the table to discuss issues facing the community's future in a constructive dialogue is important. The A-Team will carry forward the principles used throughout the Focused Future process to ensure plan implementation and model citizen collaboration.

The community, as a result of the Arizona Public Service Company-sponsored Focused Future II Program, has the necessary tools and expertise available to them to keep the *Sedona Strategic Plan for Community and Economic Development* up-to-date. Additionally, the APS Community and Economic Development staff is available to assist the community in its ongoing efforts.

# APPENDIX



## APPENDIX A GLOSSARY OF TERMS

A-Team	The Sedona A-Team was appointed by the City of Sedona to develop the Focused Future II Strategic Plan for Economic Development. The A-Team comprised the various key staff members from the primary economic development organizations.
Actions	Specific tasks that will be accomplished to assist in implementing the related goal(s).
Basic Industry	Business activities that bring new dollars into the community.
Bed Tax	A tax assessed on hotel room rentals by the City of Sedona.
Business Retention	An activity that works with existing businesses to keep them a viable and growing part of the community.
Civic Tourism	An umbrella term that describes place-based tourism such as eco-tourism, heritage tourism, and preservation tourism.
Creative Class	Those individuals who think for a living (e.g., scientists, lawyers, artists, designers, and architects) and are attracted to an area that offers a variety of economic opportunities, a stimulating environment, and amenities for every possible lifestyle.
Community Indicators	Quantitative measures of activities that are important to the community.
Focused Future	A community and economic strategic development planning process that was developed by APS.
Focused Future II	An advanced strategic planning process developed by APS that was used to develop the Sedona Focused Future Strategic Plan.
Focus Areas	Strategic initiatives that the community will address when working toward implementing Sedona's vision.
Focus Groups	An interview that is a qualitative research technique used to solicit feelings and opinions about issues and possibilities.
Goals	Describe a fundamental direction or broad course of action that will be taken to implement Sedona's vision.

**Hidden Tech**

Small, virtual companies that either develop or sell high-technology products or use technology creatively to survive, such as software/hardware developers, e-commerce retailers, Web designers and hosting services, management and organizational development consultants, and IT trainers and marketing specialists.

**Infrastructure**

The fundamental public facilities such as roads, water and sewer systems, power and phone lines, and airports that transform raw land into a quality place to live and do business.

**Mini-Summit**

Half-day event held on September 20, 2004, where outside experts made presentations on various community and economic development topics.

**Strategic Initiatives**

Big picture activities that must be addressed over the five-year time frame to achieve the state goal.

**Values**

Principles or standards that the community is unwilling to compromise.

**Vision**

An ideal and unique image of the future state of the community. It incorporates a view of the future condition that is better in some important ways than what now exists.

**ACRONYMS**

ADOT	Arizona Department of Transportation
APS	Arizona Public Service Company - the largest energy provider in Arizona
FY	Fiscal year (ends June 30 of the year)
SBDC	Small Business Development Center
SR	State Route

## **APPENDIX B**

### **Indicators Methodology and Data Collection**

#### **Tourism Development**

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##### **Focus Area: Tourism Development** **Data: Expenditure of Visitor Spending**

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Visitor spending was obtained from the Sedona Visitor Study, which was completed in October 2002 by the Sedona-Oak Creek Chamber of Commerce. Visitor spending is reported for two different types of visitors, day-trippers and overnight visitors. For both types of visitors, spending is broken down by percentage into categories of amount spent during the visit to Sedona. The median dollar amount spent for both day-trippers and overnight visitors is also given.

##### **Focus Area: Tourism Development** **Data: Length of Visitor Stay in Sedona**

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Length of visitor stay in Sedona was also obtained from the Sedona Visitor Study (2002). Visitors were grouped by length of stay, from day-trippers to those who stayed 8 or more days in Sedona. The average number of days stayed per visitor was also reported.

##### **Focus Area: Tourism Development** **Data: Retail Sales Tax Collections**

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Retail sales tax collections are the taxes collected by the retail sector, as classified by SIC/NAICS code, and are assessed at the 3% level. Retail sales tax collections were obtained from the Finance Operations Manager at the City of Sedona. When calculating the retail sales tax per capita numbers, population estimates for Sedona were taken from the 2000 U.S. Census and DES Estimates from years 2001-2004. The retail sales tax revenues for each year were divided by the population of Sedona for the same year to create the per capita values.

##### **Focus Area: Tourism Development** **Data: Bed Tax Collections**

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Bed tax collections are the taxes collected at hotels/motels, and are assessed at the 3% level in Sedona. Bed-Tax collections were obtained from the Finance Operations Manager at the City of Sedona.

##### **Focus Area: Tourism Development** **Data: Restaurant/Bar Tax Collections**

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Restaurant/bar tax collections were obtained from the Finance Operations Manager at the City of Sedona.

#### **Business Vitality and Enhancement**

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##### **Focus Area: Business Vitality and Enhancement** **Data: Job Growth**

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In the job growth category, three major categories were analyzed: labor force, number of employed persons, and unemployment rate. This data was made available at the Arizona DES website, in the section dealing with employment, <http://www.workforce.az.gov/?PAGEID=67&SUBID=142>. The Special Unemployment Report on this website provides the information on total labor force, total employed persons, and unemployment rate on a yearly basis at both the county and city level.

##### **Focus Area: Business Vitality and Enhancement** **Data: Percentage of Population with a College Degree by Age**

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Population in Sedona with a college degree was obtained from the 1990 and 2000 U.S. Census, so that any changes over the 10-year span could be noted. The sample population is those Sedona residents age 25 and older, and they are categorized as those with an associate's degree, bachelor's Degree, graduate or professional degree, and those with no degree. The percentages of Sedona residents with each type of degree are given, so that an accurate comparison can be created between 1990 and 2000. In addition, a table was created from the 2000 Census that details the percentage of

Sedona's population with a college degree by age category. There was not similar data from the 1990 Census; hence, no direct comparison could be made for percentage of population with a college degree by age category. However, Sedona was compared to the entire state of Arizona in this category to provide a baseline comparison versus the State as a whole.

**Focus Area: Business Vitality and Enhancement**  
**Data: Median Income by Age**

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The median income of Sedona residents categorized by age was obtained from the 2000 U.S. Census. The sample population was those Sedona residents age 25 and older. Seven different age groups were created, and the median income for each group was reported.



